

From: Wayne Hedberg
To: Doug Jensen; Mary Ann Wright
Date: 2/15/01 12:05PM
Subject: North Lily Telephone Call - 2/15/01 (Steve Flechner) - M023/007

I received a telephone call from Steve Flechner of North Lily this morning. He asked the status of their partial bond release request. I told him we were still processing it, but that management had expressed some concern releasing any monies before we had the final design plans for the post closure solution treatment system. I said we were trying to estimate the cost of constructing this system, so we could decide how much of the reclamation surety to retain in the event we had to do the work. It would be easier for us to calculate the State's cost to construct, maintain and monitor same, if we had the final design details (or an approximate representation) and/or some cost estimates from the operator. I also told him we needed to estimate a minimum of 3 - 5 years of post-closure monitoring costs as well.

Steve indicated he would contact Bob Bayer of JBR to see where they were in preparing the final designs. He said he would ask Bob to contact me or Doug Jensen to get us the necessary information to move their request forward.

I asked him where they were in responding to our request to finalize the revised Reclamation and Closure Schedule. I told him we were expecting same last week from them. We want to attach it to the 1st Amended Stipulation Agreement which is still pending signatures from our Board and Division Director. He stated he would discuss this matter with Bob also and get back to us as soon as possible.

A COPY OF THIS EMAIL MEMO WILL BE COPIED TO THE MINE FILE. - M/023/007

CC: Beth Wondimu; Bob Bayer; Dennis Frederick; Gene@loanmining.com